

KICSCIEEN IS CE Animation Services Special Issue 2011



Canada

Northern light—A stocked talent pool, cutting-edge tech and, yes, great tax credits keep Canada on the animation services map



India

Shape shifting—Price pressures and increasing cost competition from other service territories are changing India's animation landscape



Korea

Making progress—Inching slowly towards becoming a global co-pro partner, Korea's 40 years of service experience is paying off



Singapore

Steady service—Third-party work remains an integral part of growth plans for the Singaporean animation biz while co-pros keep pace

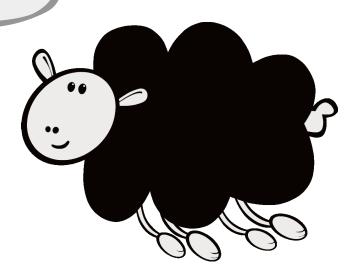


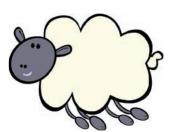
Ones to Watch

Rising Talent—Argentina, Brazil, Malaysia and South Africa make strides as international service hubs

Cover This issue's cover sports an ad from Canada's Huminah Huminah Animation.













Editorial

l come from a land Down Under

Here we are, at the end of another year. And while I don't think it will go out with a bang, 2011 hopefully will not go out with a whimper, either. There's no doubt that this most recent spate of global economic uncertainty is causing kids broadcasters and producers to tread carefully, but the biz hasn't yet come to a screeching halt like it did in early 2009.



In fact, I just returned from the annual gathering of the Screen Producers Association of Australia (SPAA) in Sydney and it seemed to me that things were pretty much business as usual. Aussie kids producers did voice concerns over limited broadcast opportunities, shrinking license fees and limits to international distribution, while pondering how they were ever going to make money on digital media. However, in my years covering this business, I can't say these issues are either new to me or unique to prodcos working Down Under—

they just seem to be part-and-parcel of what it means to work in the international children's entertainment industry. Moreover, their expression, emanating from the other side of the planet, underscores just how global this business has become over the past decade.

What was somewhat novel at SPAA, however, was a chat I had with Meredith Garlick and Nick Hopkin from regional film & TV association Screen Queensland, which reps content companies in the Australian state of Queensland. Hopkin, in particular, was looking at how to present the talent of that state's animation and digital game studios to the international kids production community as service providers, not unlike those featured in the pages of this special year-end Animation Services issue. The territory spotlights in this issue underscore the fact that the service landscape is arguably as competitive as any in this business. But Screen Queensland's initiative is an interesting prospect for producers looking for new talent and a true creative and budgetary challenge for that state's companies looking to get into the space. And that's what amazes me about this industry time and again—its dogged determination to dig deep and explore new opportunities, find fresh blood and keep moving forward despite circumstances that often appear insurmountable at first glance.

Well, to quote that famous animated rabbit, "That's all folks!" At least that's it for Kidscreen in 2011. Happy holidays to all and we'll see you in January.

Cheers,

Lana

Watch for the next issue of **kidscreen January 2012** Street Date: January 4

kidscreen

December 2011 • Volume 16, Issue 8

www.kidscreen.com

VP&PUBLISHER

Jocelyn Christie jchristie@brunico.com

EDITORIAL

Lana Castleman Editor lcastleman@brunico.com

Kate Calder Senior Writer kcalder@brunico.com

Gary Rusak Senior Writer grusak@brunico.com

Wendy Goldman Getzler Senior Online Writer wgoldman@brunico.com

> Writers and Contributors Brendan Christie (Toronto)

BUSINESS DEVELOPMENT AND ADVERTISING SALES (416) 408-2300, 1-800-KID-4512

Myles Hobbs Associate Publisher mhobbs@brunico.com

Kristina Ejem Account Manager keiem@brunico.com

Vakis Boutsalis Marketing Coordinator

CREATIVE

Creative Director Stephen Stanley sstanley@brunico.com

Art Director Andrew Glowala aglowala@brunico.com

Production/Distribution Coordinator Robert Lines

AUDIENCE SERVICES

Director of Audience Services and Production Jennifer Colvin jcolvin@brunico.com

Manager, Audience Services

Christine McNalley cmcnalley@brunico.com

CORPORATE

President & CEO Russell Goldstein raoldstein@brunico.com

VP & Editorial Director Mary Maddever mmaddever@brunico.com

VP & Chief Information Officer Omri Tintpulver otintpulver@brunico.com

VP & Realscreen Publisher Claire Macdonald

Customer care

To order a subscription visit www.kidscreen.com/subscribe
To make a change to an existing subscription,
please contact us by e-mail: kidscreencustomercare@brunico.com
Fax: 416.408.0249 Tel: 416.408.2448

Subscription rates

Kidscreen is published 8 times per year by Brunico Communications Ltd. In the Us: One year US\$59.00 Two years US\$106.00 Single copy price in the US is US\$795. Please allow four weeks for new subscriptions and address changes.

Postmaster Notification

U.S. Postmaster, send undeliverables and address changes to: Kidscreen PO BOX 1103 Niagara Falls NY 14304

Canadian Postmaster, send undeliverables and address changes to: Kidscreen PO Box 369, Beeton ON LIOC 1AO Printed in Canada. Canada Post Agreement No. 40050265. ISSN number 1205-7746

Opinion columns appearing in Kidscreen do not necessarily reflect the views of the magazine or its parent company Brunico Communications Ltd. All letters sent to Kidscreen or its editors are assumed intended for publication. Kidscreen invites editorial comment, but accepts no responsibility for its loss, damage or destruction, howsoever arising, while in its offices, in transit or elsewhere. All material to be returned must be accompanied by a self-addressed, stamped envelope. Nothing may be reproduced in whole or in part without the written permission of the publisher.

© Brunico Communications Ltd., 2011

® Kidscreen is a registered trademark of Brunico Communications Ltd.





Singapore thrills kids with exciting animation content



Dinosaur Train (Season 2) ITED

The second season of Dinosaur Train is being produced with a renewed commitment to nurture children's curiosity about the natural world, using basic scientific thinking skills to observe and learn about plants and animals in their natural habitat and the way the natural world works. The new season will encourage parents to explore their local surroundings with their children. Come and join Buddy, an adorable preschool-age Tyrannosaurus Rex who, along with his adoptive Pteranodon family, rides the Dinosaur Train on a whimsical voyage through prehistoric jungles, swamps, volcanoes and oceans to have adventures with all kinds of dinosaurs and creatures.

Produced by: The Jim Henson Company &

Sparky Animation 3D Animated TV Series 52 episodes x 11 mins

Language: English TX: PBS (USA)

Genre-

Format:

kcwong@sparkyanim.com Email:

Tel:



Nanoboy: Mission Health

An ordinary boy transforms into the world's smallest superhero to defend the micro-world from villains too small to the naked eye! 52 episodes of exhilarating adventures completed and ready to blast off! included with the series is *Nanoboy: Mission Health*, comprising 30 x 2.5 minutes of interactive content such as games and e-learning modules.

Produced by: Scrawl Studios

2D Animated TV Series/Education Genre:

E-Learning Modules 52 x 11 mins (series) +

30 x 2.5 mins (interactive e-learning)

Language:

Format:

jeong@scrawlstudios.com Email:

+65 6225 0910



Dream Defenders Into Steel

Dream Defenders chronicles the adventures of a pair of twins - Zane and Zoey. They've discovered that the worlds where we dream actually exist! Until recently, only our minds visited there, but someone has found a way to break through. Chaos and destruction threaten... and only the twins can stop

Produced by: Tiny Island Productions 3D Animation TV Series Genre: Format: 26 episodes x 22 mins

English Language:

Tiny Island Productions (North Distribution:

America/Asia); Classic Media (Other territories)

Email: davidk@tinyisland.net +65 6473 7357 Tel:



Mr Moon ITED

You know Mr Moon. We all do. Just look out your window at night - there he is! Climbing up his ladder and taking his place in the star-studded, indigo sky. But have you ever wondered what Mr Moon does when he's not shining down on us? Well, that, my friends, is where our story begins. Mr Moon is an adventurer - and who wouldn't be, with the whole Universe for a playground? With his Supafast Moon Rocket and his best friends Silva and Gold Star, Mr Moon zips around exploring planets, stars, constellations, black holes, nebulae and galaxies.

Produced by: Sparky Animation, Gallileo Ltd & Title

Entertainment

3D Animated TV Series Genre: Format: 52 episodes x 11 mins

Language: English TX:

Disney Channel (UK), TVO (Canada), Knowledge (Canada), SCN (Canada), ABC (Australia), OKTO (Singapore), ATV (Turkey), TVNZ (New Zealand)

Email: kcwong@sparkyanim.com +65 6281 6312



Rob the Robot [100]

This 3D Animated Series of 52 x 11 minutes adventures transports children aged 4 to 6 to the Robot Galaxy where they explore amazing worlds, solving puzzles and problems with Rob and his friends. Each episode features a fun new planet, and a fantastic mission for Rob and his friends. The series encourages young viewers to explore and have fun while they learn. Rob is a natural leader who steers his rocket off to new and exciting planets where every day leads to fun and

Produced by: One Animation & Amberwood

Entertainment

Genre: 3D Animated TV Series Format: 52 episodes x 11 mins Language: English, French & Spanish Email: alexis@oneanimation.com

+65 6273 1785

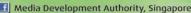
Tel:

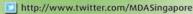
Visit us at Asia Television Forum 2011 Singapore Pavilion Booth D02

Brought to you by:









http://www.youtube.com/MDASingapore



The Toon Boom Pipeline Solutions for Animation Pre-Production and Production

A New Dimension.

Import 3D Objects: Import 3D CGI objects and manipulate their position, rotation, and scale.

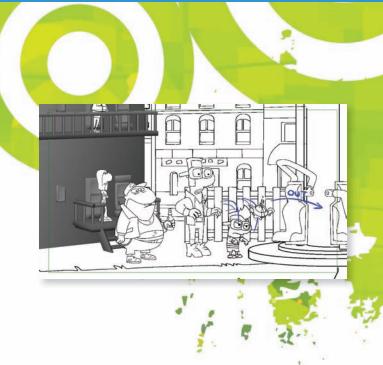
Working in a 3D Space: Use the Camera View, Top View, and Side View to position your 3D objects or 2D drawing layers in a 3D space.

Building a Library: Save your 3D assets into an easy-toaccess library for reuse.

Exporting to 3D: Export the project back to 3D software using the FBX format.

Digital Storyboarding: Take advantage of Storyboard Pro's proven storyboarding capabilities such as drawing tools, script import, captions, animatic generation, and export to PDF and Quicktime.







Draw the line

Between the Past and Now.

True Pencil: Draw with pencil lines supporting textures and variable line thickness.

Deform: Deform images and drawings animated over time using advanced bone and curve deformers.

Effects Inside: Access built-in particle effects and dozens of other effects.

2D-3D Integration: Import and use 3D assets within Harmony as well as transform objects on all 3 axes.



NETWORK ANIMATION SOLUTION



Northern light

With a stocked talent pool and cutting-edge tech expertise, there are many reasons to consider Canada when it comes to animation services...besides the tax credits, that is

not kid ourselves, money is a big part of the equation-and Canada has lots of it-but there are plenty of other reasons to head North when it comes to procuring animation services. Canada is a world leader in 3D CGI and 2D digital animation, an important source for stop-motion talent and one of the world's innovation centers when it comes to stereoscopic 3D. In fact, most large Canuck animation companies can handle diverse projects on just about any platform.

"The pros are numerous," affirms Teletoon manager of original production Athena Georgaklis. "Proximity to the US, high-quality content, competitive and unique programs that are staples in homes here in Canada, the US and beyond. Government funding and tax breaks are a great plus, as well."

And she adds that another important advantage for Canada is its ability to produce in French.

Granted, there are certainly less expensive places to produce, but Canada offers the full creative suite—storytelling, performance, artistic chops and established infrastructure.

"Really, the main pro is the value ratio between cost and quality," summarizes Juan Esteban Lopez, managing director at Pipeline Studios in Toronto. "There is no region in the world that can match

our cost after tax credits have been applied, but then you add to that our commitment to skilled labor, improved technology and advanced processes and management tools."

The going rate

2D and CGITV work US\$200,000 to US\$475,000 per half hour

> US\$15,000 to US\$150,000 per minute





Tips for the trade

- UK-based Wish Fims' Will Brenton suggests you leave your Canadian partner to look after the Canadian paperwork—it's the simplest way of doing things!
- Anyone coming to Canada should be comfortable with adapting to different production and business scenarios, says Juan Esteban Lopez, MD at Pipeline Studios just outside of Toronto. "We are a very ethical community and our objective is focused on brand expansion and fair business practices." He adds, "The key for those aiming to work with a Canadian animation company or related services is to create strategic alliances/partnerships that will benefit both parties through a responsible financial plan and distribution strategy (for film, TV, mobile, web, apps, etc.)."
- "Get to know the production landscape here and identify the studios that have done the kind of work you envision for your own properties," says Athena Georgaklis, manager of original production at broadcaster Teletoon.

The Canadian storyboard It's a big country—so where do you start? While there are certainly other strong Canadian centers for animation (Nova Scotia being one example), you're generally looking at three distinct production regions—British Columbia, Ontario and Quebec. Historically, each brings something unique to the table.

Only a few hours north of L.A. and in the same timezone, BC has traditionally been Canada's strongest base for animated feature work. That's reflected in both the creative produced there and the international cast who now calls it home.

Pixar Canada, Sony Imageworks Canada, Digital Domain and a host of others are already established. Rhythm and Hues is coming online, and rumors suggest Lucasfilm's ILM will also soon be heading North. Add those shops to the existing Canadian houses, and you have a substantial pool of

creatives comfortable in switching from feature FX work to animation projects, and back again.

The animation community in Ontario is equally established, though it is far more TVcentric. The Computer Animation Studios of Ontario (CASO) recently commissioned a

working on Escape from Planet Earth, due out next year from Blue Yonder and The Weinstein Company

Vancouver's animation community is known for its

feature-film expertise-

Entertainment, for one, is

the city's Rainmaker

Nordicity survey estimating that Ontario's computer animation and visual effects sector employs between 1,600 and 1,900 people, earning roughly between US\$170 million and US\$200 million annually.

In contrast to the big BC studios, the survey showed that the Ontario landscape is dominated by "small, privately held firms" with revenues of less than US\$2 million per year—evidence that many of the province's animation outlets prefer to maintain a limited slate for the small screen.

A little further east, Quebec has traditionally been an independent voice in the production landscape, thanks to its language and heritage. The local production community has evolved to offer a comprehensive skill set to potential partners. (Consider that beyond all the artistic skills the region offers, Montreal's Toon Boom has even developed global industry-leading animation software.)

But infrastructure is really only half the equation when it comes to production in Canada. Everyone knows money is the fuel that drives the animation machine, and these three production centers lead the country in both tax incentives and government investment.

Come for the tax credits... Faced with a global financial meltdown that had the unfortunate side effect (for local businesses, at least) of raising the Canadian dollar to parity against the US greenback, the federal and provincial governments have recently gotten aggressive about raising tax credits and investing in digital infrastructure.

In Ontario, for example, the provincial government invested almost US\$23 million in Starz Animation Toronto (which later evolved into Arc Productions), and US\$263 million over 10 years in videogame maker

Dreaming of a career in ANIMATION?



get the

industry standard



toonboom.com/highered





Ubisoft—a move which will create critical production infrastructure and greatly enhance local animation expertise.

Moreover, in recent years Canada's governments have become generally more assertive in their support for production, both on a federal and provincial level. At the national level, producers can access funding directly through the Canadian Media Fund, or through tax credits via the Film or Video Production Services Tax Credit (a 16% credit on all qualified labor expenditures), the Canadian Film or Video Production Tax Credit (up to 25% on all eligible salaries and wages), and a few others.

Catherine Winder, president of Vancouver-based Rainmaker Entertainment, says her company was also recently able to tap into Telefilm funds for *ReBoot: The Upgrade* via the Canadian Feature Film Fund—a financing move that will become more popular as domestic companies begin initiating more animated feature projects rather than just servicing them.

When it comes to the provinces, benefits vary but are equally attractive. In Ontario, for example, producers can access the Ontario Film and Television Tax Credit (up to 35% of labor expenditures), the Ontario Production Services Tax Credit (25% of costs incurred in Ontario) and perhaps most



WORLD CLASS ANIMATION SERVICES

PRE-PRODUCTION:

- Art direction
- Design (characters & locations)
- Storyboards & 2D animatics

PRODUCTION:

ERVICE

- Model building
- Digital animation
- Compositing, special effects and rendering

PRODUCTION AND FINANCING CONSULTING SERVICES:

- Production management
- · Financing, budgeting and production scheduling
- Coproductions

POST-PRODUCTION:

- Image editing
- Sound editing
- * References upon request







1430 TRAFALGAR RD. SPARK BLD. OAKVILLE, ONTARIO CANADA L6H 2L1 P. (905) 815.-4260 F. (905) 815.-4087

/.PIPELINESTUDIOS.COM

Character's Copyright used with permission from CORUS Entertainment, Hasbro Inc. Classic Media, Nelvana /TeamTO/LuxAnimation/TF1/Viacom/NickJR/Entertainment Rights.



importantly, the Computer Animation and Special Effects credit (20% of labor spend). There are also additional interactive, developmental and experimental credits.

In BC, producers benefit from the BC Production Services Tax Credit (33% of qualified labor spend), the Digital Animation or Visual Effects tax credit (up to 17.5% of labor spend) and Film Incentive BC (35% of labor costs).

By working with a local partner in Quebec, international partners can tap into the province's production service tax credit (25%), and there is an additional credit for digital animation and special effects work (20%). If the project has enough indigenous credits to merit recognition as a Quebec production, the available rates are even higher.

Asked to summarize the impact of these credits, Winder says labor credits on the West Coast generally average a 25% savings against a production budget. CAVCO—the Canadian Audio-Visual Certification Office—recently estimated that domestic labor costs for animation average 61% of total budgets, so labor credits can therefore play a huge role in tightening up the bottom line.

When it comes to funding sources in Canada, however, it's important to remember that non-governmental funds play an equally large role with co-productions.

Teletoon's Georgaklis points out that beyond the role of funding agencies like Telefilm, the Canadian Media Fund and various tax incentives, the broadcaster has also taken advantage of programs run through private companies such as the Bell Fund, the Shaw New Media Fund and the Cogeco Fund. Canadian media bodies, in fact, are obligated to (and often voluntarily) create pools of money earmarked for the creation of Canadian content as conditions of their licenses.

"Broadcasters have decided to super-serve six to 11s...getting back to content that has worked traditionally, which is what's brought animation back."

-Vince Commisso, 9 Story Entertainment

The talent pool With such a large animation, gaming and FX community, it's not surprising that Canada has created an extensive education system capable of feeding talent into domestic and international studios.

For example, Ontario boasts several top-notch college-based animation programs, including ones at Sheridan (one of the premiere animation training facilities in Canada), Humber, Seneca, Centennial and Mohawk colleges.

In Vancouver, there are equal opportunities for students through facilities such as the Vancouver Film School, Emily Carr and VanArts. In Newfoundland, The College of the North Atlantic is also producing top talents. And those are only a few of the most-recognized training schools in the country.







Keyframe animated Pinky Dinky Doo (left) for Cartoon Pizza and Sesame Workshop, while Teletoon's Spliced! exemplifies a "made in Canada" concept

However, even with hundreds of students coming online every year, demand for experienced animators and creatives is not being met domestically.

Rainmaker Entertainment, for example, has turned to sourcing talent internationally. "There is more work than people," notes Winder. "We're bringing in people from all over the place, and we're hoping they will stay. The good thing is there are so many other opportunities for people here that it is easier to bring them up than it was years ago."

While Toronto-based Cuppa Coffee Studios president Adam Shaheen agrees that there are excellent candidates being trained, he believes students still need that "critical 12-month in-house training that raises basic skills" to the professional level before students are good to go.

Winder agrees. "There are only so many people who have had that experience on the feature film and digital effects—the high-quality level and sophistication that is required in those types of projects. Give it another year or two and the pool of talent is going to be extremely rich and deep here for those types of projects. The industry is going to get better and better and only grow more."

Recent developments Although Canada was largely insulated from the economic downturns of the last few years, it was far from immune. In fact, the country may only just now be showing signs of awakening from what has been a decade-long downturn in animation and kids production.

The Youth Media Alliance's 2009 study *The Case for Kids Programming* (prepared for the CFTPA, in association with the Alliance for Children and Television and the Shaw Rocket Fund) assigned numbers to what was happening in the world of animation and children's programming in Canada.

The YMA found that average budgets for children's and youth programming in English had dropped 14% between 1998/99 and 2007/08, from US\$275,000 to US\$236,000. Average half-hour budgets for French-language productions fell from US\$97,000 to US\$79,000.

The study also found that, during that time, the total volume of Canadian TV and feature production in the children's and youth genre had fallen to a 10-year low of US\$257

million—only US\$7 million of which was allocated to features.

There was a momentary relief in 2006/07, when production volumes jumped 39% from the year before—growth led by a significant jump in private broadcaster license fees (US\$82 million in '06/'07 versus US\$48 million the year before). But the increase was short-lived, and production levels returned to form the next year.

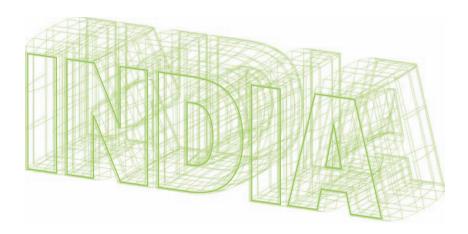
Discouragingly, the study found that animation production dropped from US\$257 million to \$166 million during that 10-year period. Not surprisingly, those sorts of numbers take their toll. Witness the closure of service FX house CORE Digital in 2010 as just one example of the impact of such shrinkage.

The effects of the downturn have not been felt equally across the country, however. A 2010 study commissioned by local producers, the YMA and the Film and Television Bureau of Quebec (through Deloitte) found that total animation production in the province (all genres) had dropped from US\$200 million in 2000 to only US\$20 million in 2010.

Unfortunately, long gone are the days when the Quebec community can take extensive advantage of Canada's animation production mini-treaty with France.

Anecdotally, there are suggestions that things may be changing for the better, however. In the middle of the last decade, many North American broadcasters aggressively turned to live-action and reality formats in order to attract an older audience. That no longer seems to be the case.

"Broadcasters have retrenched in the last few years and have decided to super-serve six to 11s," observes 9 Story Entertainment CEO Vince Commisso. "That means continuing on with the strategy of going older and aspirational when it is appropriate, but also getting back to that content that has traditionally worked, which is what's brought animation back." ${}^{\bullet}$



Shape shifting

BY GARY RUSAK



With 1.2 billion people and the fourth-largest economy in the world, India is a global power in numerous tech industries, and its well-established animation services business is no exception. But price pressures fuelled by increasing labor costs and favorable government incentives in competing territories are changing the terrain on which India's service studios tread.

doesn't have a long history of service work, but because of its size it has been able to ramp up very, very quickly," says Irene Weibel, VP of international production and development at Canada's Nelvana. "It has very strong studios whose expertise is CGI work." Weibel adds that the country's animation services industry first registered on her radar in a serious way roughly 10 years ago.

"In the beginning it was just a few studios with very focused areas of expertise," Weibel says. "But now you have a number of companies with a lot broader scope." However, she adds that Canadian companies aren't looking at India now for service work at all. "The tax incentives to keep the service work in Canada are just too strong," she contends. "The industry changes constantly. Service providers have to react."

Natarajan Vidyasagar, who has been reporting on the Indian animation industry for more than two decades as editor and publisher of the trade mag *Pickle*, says that while the Indian animation industry may have solidified its name on the back of 2D service work executed in the late 1980s and 1990s, those days now belong to a bygone era.

"2D is dead now," Vidyasagar says. "In the beginning, customers would come to India to do pure service work because the costs were low and the quality was good. But that story changed about three years ago when Indian companies started to put their resources into creating their own IP and distributing it."

Ashish S.K., CEO of Pune, India-based BIG Animation, agrees that the movement away from service work is the overarching trend in the Indian animation industry. "There has been a consistent movement towards co-productions. And since 2008 and 2009 some Indian IPs like Chota Bheem, Little Krishna and Indian Fables have really made their mark [outside of India]."

Kaine Patel, director of business development at Snipple Animation, which has offices in London and Mumbai, says the company is a player in the industry and has seen the country grow from a pure service center into something greater. "India is still evolving as an animation hub," Patel says. "It has the advantage of pure numbers, as compared to much smaller talent centers like Singapore. However, Indian animation—with the noted exception of a handful of companies that benchmark themselves to global standards—still has some way to go to achieve the highest levels of quality and reliability."

Then there's the current leader in the Indian animation biz, DQ Entertainment. According to *Pickle*, DQE is the "most successful Indian animation company" and currently has 3,500 employees and more than 100 global clients.

CEO Tapaas Chakravarti says that from DQE's point of view the animation industry is certainly growing and evolving into much more than a service center.

"The international off-shoring work in animation movies is moving up the value chain, as off-shore work moves toward end-to-end productions. India has been delivering high-quality content within shorter timelines and



(clockwise) DQE's Peter Pan and BIG Animation's Little Krishna and Shaktimaan represent the cutting edge of **CGI** animation in India from two of the most well-respected animation houses in the region

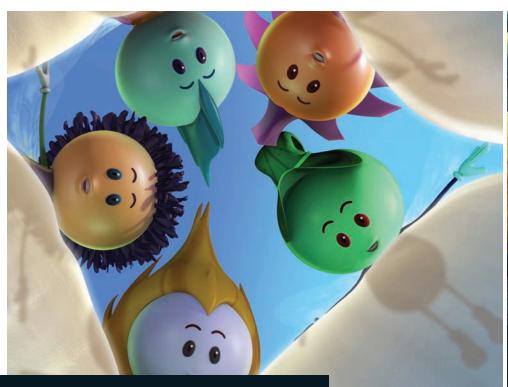
is being favored by major global animation powerhouses for animation content production."

Tapaas lists Disney, Nickelodeon, ZDF, TF1, ABC Australia, Moonscoop, Classic Media, Method Animation and Marvel as DQE partners with either ongoing projects or work completed in the past.

Today's special In terms of India's animation speciality, most experts interviewed say it's been steadily moving from hand-drawn 2D to CGI, with stereoscopic 3D starting to make a significant appearance in Indian animators' skill sets. And lacking insulation from established government programs that might blunt pure market forces, India is quick to react to the latest trends.

Ashish S.K. says that emerging CGI markets in Asia, Europe and North America are dictating the future of service work in India. "Although India started with traditional 2D animation, now I think you can say that India is delivering high-end 3D CGI series and digital 2D as well," he says.

Snipple's Patel, meanwhile, says that the technical proficiency has made





Tips for the trade

- When searching for a service studio in India, you need to make sure that
 communication is the first priority and that each party understands
 what is expected. There are more complications when dealing with
 partners operating in an entirely different time zone and culture.
- Make sure the prospective partner has the technical abilities and the
 pipeline to complete the work. And you also have to make sure that
 there really is a creative meeting of the minds—that the company you
 choose will provide a good communication flow.
- To that end India's greatest advantage over competing territories just may be the concentration of English-speaking professionals in its service industry, which makes communication—particularly for North American companies—a snap.
- Be aware that there are numerous Indian companies that will quote rock-bottom prices, even well below costs, in order to get the work. It's much better to stick to considering companies that have established a reputation in the field. A personal visit to a studio might still be the best way to get a handle on whether or not it's a viable partner.
- A lot of clients place faith in animation tests without realizing that in India the quality of work on a test has little or no correlation to the quality of the subsequent work. "When it comes to India, the single biggest factor in finding a good partner is the integrity, quality and cultural fit of the management team," says Kaine Patel, director of business development at Snipple Animation.
- It's worth noting that Indian studios tend to open later than businesses in North America (around 10 a.m.) and remain open late into the evening.
- Holiday periods are different in almost every region of India, but one observed nationwide is Diwali, the festival of light, which is marked on the lunar calendar and occurs sometime during the fall.

the evolution into 3D CGI a quick one for the country's service providers. On the other side of the coin, traditional hand-drawn 2D animation has been relegated to domestic productions.

However, the most important thing to remember about the animation service sector in India is that no one style is so entrenched that it can be said to define the industry. As many producers alluded, market needs serve as an absolute dictator of the industry's direction in India.

Evolving to co-pros *Pickle's* Vidyasagar notes that while Southern India once dominated service work with hubs in Bangalore, Hyderabad and Mumbai, that model is now evolving. "There are those almost countless and nameless companies that still do just service work, then there are many that do a mix of service work and co-pros and even their own productions—and then there is the third category that will do just pure Indian IP."

Snipple Animation falls squarely into the second category. Patel says that his company is putting the majority of its resources into forging co-productions with European and US partners, such as Moonscoop and Atlantyca.

"We are primarily focused on co-pros and in-house developed IP," Patel says. "We do still have some service work contracts as well. One area that is growing for us is 'hybrids.' Those are deals that involve a combination of CGI, 2D and live-action visual effects. With our strong capabilities in all these areas...we are uniquely placed for such projects."

Ashish S.K. says he sees the entire industry gravitating towards homegrown IP and co-pros.

"Over a period of time we will see every major studio in North America involved in animation, visual effects and gaming have their own development center in India or aligned partnerships," he says. "India has a constant flow of young and fresh talent joining the industry and a deep creative pool."

Pie in the sky According to a 2011 government report, the overall size of the animation business in India was estimated to be worth US\$ 500 million.







(Left to Right)
BIG Animation's preschool
nursery rhymes series
Big Bees Jr., DQ Entertainment's
The Jungle Book and
Casper the Friendly Ghost

which includes revenues from outsourced work and locally created animation productions, as well as revenues earned for commercial work. For a variety of reasons, the producers we chatted with don't put too much stock in the official numbers.

"A couple of years ago they projected that by 2012 the animation industry would grow to around US\$1 billion. These projections were reduced from much higher projections earlier," says Patel. "Overall, my feeling is that while the industry is growing, it is not growing at nearly the rosy pace that some industry analysts would like to project."

Chakravarti has a more positive feeling about the growth, possibly due to DQE's expansion on the international stage over the past five years. He cites the 2011 Indian Media and Entertainment Industry Report produced by FICCI (Federation of Indian Chamber of Commerce and Industry) and KPMG. It concludes that there is a growing demand for content, increasing investments in training and talent and a growing market for Indian production houses for special effects, continued growth in outsourced work and the conversion of 2D to 3D formats. Additionally, emerging digital platforms are expected to help the industry grow at a steady annual rate of 18.5%.

Laissez faire While competitors like South Korea and Malaysia have enjoyed the spoils of government assistance and subsidies to grow their animation sectors, the Indian animation industry has mostly been left to its own devices.

"There is really zero help from the government," Vidyasagar says. "When you are a growing country like India, there are a lot of priorities. While the government has recently created The Centre for Excellence for Gaming and Animation, there isn't much in the way of concrete support."

Patel agrees that direct help from the Indian government has not been a help in moving the country to the forefront of the industry. "Unlike the software sector, the Indian government has not exactly showered the animation sector with incentives such as subsidies, grants or tax breaks. This makes

it hard for Indian companies to compete against other centers like China, Korea and

Malaysia, where you can get a significant amount of financing for animation projects."

Ashish S.K. agrees and says that lack of government support initially held Indian animators back.

"There are no government grants or programs," he says. "The educational programs are completely vocationally driven and controlled by private players. However, in the last three years we have seen a significant change as the deemed universities in India took initiatives to incorporate long-term three-year degree programs in animation, visual effects and filmmaking."

Chakravarti also notes that government assistance has not been prevalent in the country, but says that there's been more of an emphasis on education recently that has helped to further sustain growth and feed the talent pool.

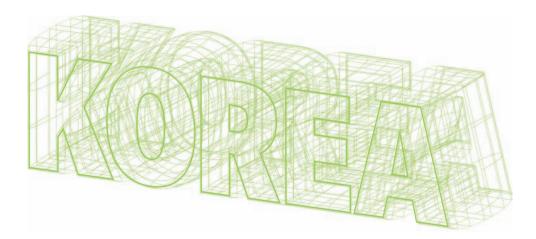
"Colleges in India have recently started to provide programs in animation, teaching the latest animation production techniques and specializing in different fields like CGI, lighting, editing, compositing, etc.," he says.

Furthermore, Chakravarti says the best way for Indian companies to realize any assistance from the government is to approach the governmental organizations as possible partners in training talent.

"DQE has been collaborating with governments in West Bengal and Madhya Pradesh in providing high-quality animation education to students," he says. "The best talent that comes out of these programs can then be infused directly into the international project pipeline."

Ashish S.K. asserts that the new attitude towards education will be a game-changer industry-wide.

"It's been an eye-opener as to how even in the absence of art, creative and performing skills in the Indian school curriculum, huge numbers of parents and teenagers are considering making a career in animation visual effects, gaming and the comics industry."



Making progress

South Korea has been an animation services hub for more than four decades but has been inching slowly towards becoming a respected co-pro partner and source for original IPs over the past six years BY GARY RUSAK

Perhaps

the production that brought the Korean animation industry to the forefront was *The Simp*-

sons, which debuted in 1989. More than 20 years later, the iconic IP has become a multi-billion-dollar concern for Twentieth Century Fox. And right from the outset, the series was animated in Seoul, South Korea by AKOM Production Co., which helped to put the Asian country on the animation map. Not that *The Simpsons* was the first success for the region. In fact, some of Hanna-Barbera and Disney's most-loved productions were animated in the Land of the Morning Calm.

"Korea has played a major role in the production of 2D animation for more than 40 years," says Youngki Lee, CEO of Seoul-based Wonderworld Studios. "We have worked for all the major studios including Disney and Warner Bros."

It was the combination of lower costs, technical virtuosity and the ease of partnerships that initially established the country as a first-class partner for North American and Japanese producers.

"The Korean animation industry developed around OEM [original equipment manufacturer] productions for American and Japanese studios," says Gil Hoon Jung, the president of Seoul-based FunnyFlux Studios. This means that as an OEM partner, the animation studios also manufactured the equipment needed for the production.

"The South Korean animation industry has been producing OEM animation for over 20 years for North America, Europe and Japan," say Jae Yeol Song, producer/VP at Studio SeeD. (The Seoul-based animation house has worked with partners in Japan, North America and Europe and is currently developing a co-pro with BBC Children's called *Rocket Boy & Toro*, which will be the first Korean co-pro to air on the Beeb.)

Evolution As the OEM industry in Korea has matured, lower-cost competition from emerging service markets has started to take a chunk out of the animation work being done in the country.





"In 2D animation, the service work is really going to China and India more and more," says Lee. "It's just cheaper to do it there. But the clients that want quality still come to Korea."

The size of the overall Korean animation market has grown gradually since 2005. According to numbers provided by industry org KOCCA (Korea Creative Content Agency), the market size in 2005 was estimated around US\$210 million. In 2006, that number jumped to US\$259 million and continued to grow at a sizeable rate, reaching approximately US\$376 in 2009. The growth in the overall industry has continued despite the fact that the cost of work relative to its competition in other countries has also risen. The fact that most animation houses do a mixture of service work and their own productions makes it difficult to say how much of overall industry revenue is derived from service work. According to the latest numbers, there are approximately 260 different animation houses operating in South Korea.

The cost differential has really been created by rising wages for OEM work, according to Gregory Parkin, series creator/transmedia producer at Studio SeeD. "Korea has experienced labor issues," he says. "Orders made by other countries can be more expensive here, especially in the 2D space. We are diligently working to resolve them with clever production methods that will keep our costs well under control but keep the quality high as well."

Many studios are concentrating on 3D work now, as the more basic service work has migrated to cheaper markets. Still riding their technological advantage, however, Korean studios have taken it upon themselves to become experts in CGI and stereoscopic 3D service work and have turned to cultivating their own IPs.

"The Korean animation industry is well known for CGI animation now," says Studio SeeD's Song. "It's really grown in the last three to five years and has to be one of the most successful enterprises in Korea now."

Harry Yoon, VP of Seoul-based SAMG Animation, points to the commercial and critical success that his studio has had in the 3D CGI area. "3D

• Thanks to more than four decades working with North American and European partners, there is a well-established and smooth communication between Korean studios and their global counterparts. "It is not that difficult to communicate with Koreans," says Lee from Wonderworld Studios. "Although English will always be the biggest hurdle, the young generation speaks English very well."

- The Korean stereotype of being hard-working to a fault is actually very close to the truth. "We care about the work maybe more than we are supposed to," SAMG's Yoon says. "Sometimes company life comes before our private life."
- Some cultural differences to keep in mind include noting that Koreans shake hands with both hands, for example. As well, it should be remembered that the biggest festival in Korea today is Seollal (the traditional Korean New Year) that is celebrated in accordance with the lunar calendar. It usually falls in the winter and some companies shut down, although most companies interviewed for this profile said that deadlines take precedent over holidays.

has really become more of a focus now," he says. "SAMG provided 3D services last year to Cartoon Network (US) for movie-of-the-week *Firebreather* and we got an Emmy for that this year."

Jarin Sohn is an assistant manager for Synergy Media. His company has recently entered into a co-production with UK-based Millimages and says that while service work is still an active part of the business, more and more efforts are being focused on the co-pro realm.

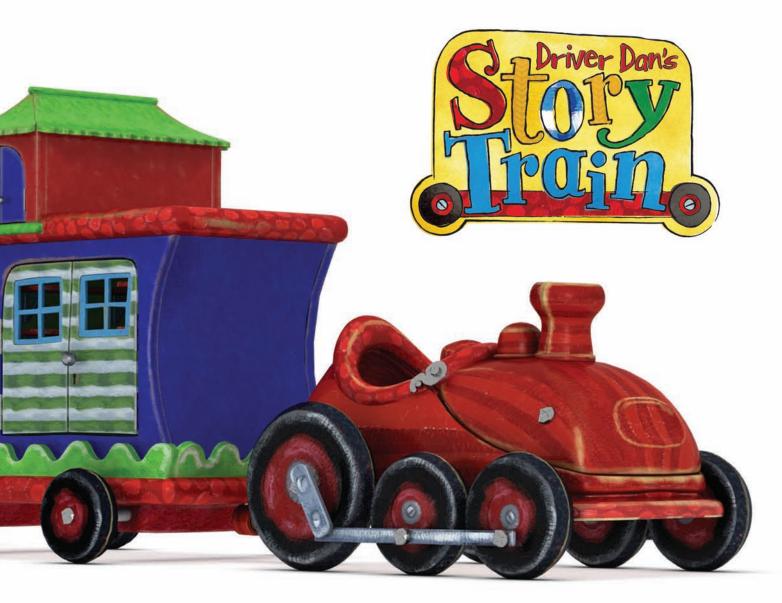
"3D CGI is the general trend in Korea now," he says. "The demand for 2D service work is decreasing, but 3D is offering more and more opportunities."

Resource allocation Besides evolving to 3D CGI, the main push in the Korean animation market is towards co-productions. In fact, it's nearly impossible to find a service company that is not first concerned with promoting

are you ready to produce a hit animated series?



come follow the footsteps of 3Line™ Media & Blink™ Studios.



twofour54° Abu Dhabi – the tax-free gateway to new animation opportunities

From the heart of the region's leading media & entertainment hub **twofour54° Abu Dhabi**, 3Line Media and Blink Studios have developed and produced the Arabic version of hit children's animation series **Driver Dan's Story Train**, one of the top rating shows on CBeebiesTM in the UK with an audience share of 35% of 4 - 6 years old. Now also airing in the US, Australia, Singapore and across the Arab world. Isn't it time you took advantage of the media opportunities the Arab world has to offer?

- 100% company ownership in a stable, tax-free environment
- home to the world's 1st Cartoon Network™
 Animation Academy
- access to broadcasters airing 1800 hours of animation every month
- unique campus environment with facilitated business networking
- easy licensing and business set-up services
- language transcreation support
- content commercialisation opportunities
- post-production, audio suites, colour grading, and 3D lab services
- guidance and liaison with UAE content regulatory bodies

Find out how we could help grow your business today.

twofour54.com/animation +9712 401 **2454**





media & entertainment hub





Noonberry and the Super Seven from Seoul-based Daewon Media was co-produced with Canada's Cookie Jar Entertainment

itself as a potential co-production partner. As cheap service work goes to India and other Asian destinations, it only makes sense that Korea is putting more resources towards co-productions.

"At this point, I think a lot of people actually forget that there is any service work being done in Korea at all," says Paul Kim, a project manager for Seoul-based CJ Entertainment, a film production company that recently opened an animation arm. "Most companies will still do it, but with the prices and the competition from cheaper markets, more and more companies are concentrating on partnerships and IP creation."

Sohn says he sees the same trend. "Korean animation has constantly endeavored to create its own works of art," he says. "There will be more and more global creative projects with better opportunities and partnerships. However, I do expect the industry to still engage in service work for 3D CGI."

The Korean government is trying to do its part to support domestic production, and its largest subsidy available to animators is disbursed by the SOVIC fund. The current budget of the fund is US\$37 million, which is down slightly from previous years. Application guidelines specify that Korean companies whose projects have been accepted by a

Korean broadcaster can apply for up to 40% of their production budgets. The program has grown modestly since 2003, when just three projects were funded. The latest numbers from KOCCA indicate that in 2009 eight animated co-pros received funding. (It should be noted that the Monetary Transactions Law forbids disclosure of their titles and the amounts they've received.)

The majority of the co-pros are done with European partners, but work with Japan remains significant to Korean business.

Government The move towards IP creation and away from service work has been spurred by the robust and comprehensive help from a number of Korean government offices. It is fair to say that with KOCCA leading the way, the Korean government is setting a global standard for assistance to the content creation industry.

"We do have many agencies that help develop Korean animation including KOCCA and the SBA (Seoul Business Agency). The Animation Center has the highest number of businesses and they support pilot production costs. South Korea supports training, planning and production projects," says Mike Chung, a producer at Studio SeeD.

However, most of the assistance is earmarked for Korean companies to produce their own pilots destined for international markets and domestic broadcast. "Both the central and local governments support new projects annually," says Sohn.

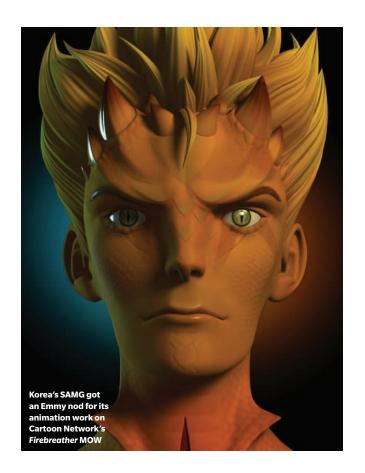
Kim, for one, insists that without government support the animation industry would not have a presence on the international stage. "It's absolutely helpful," he says. "Without the government the industry would just not exist right now. There are government grants of up to 30% for new projects from the Seoul Animation Center. There are grants for foreign dubbing and a lot of other services. You have to know how to access them, but they are available."

Another means of support that has a positive effect on the service companies in Korea is KOCCA-led delegations to industry events like MIPCOM and Kidscreen Summit. By exposing the country's animation studios to the global market, the government, without lending direct assistance to service-for-hire firms, is helping them to find a platform for showing their wares.

As well, the educational system in South Korea has created a large pool of young talent that continues to feed the hundreds of animation companies that call the country home.

"There are about 90 different college courses and more than 100 academies for animation," says SAMG's Yoon. FunnyFlux's Jung agrees. He says the prevalence of college and university programs focusing on animation mean there is never a dearth of the talented and youthful animators required to propel the industry forward.

"A majority of Korean universities offer majors in animation-related fields," Jung says. "Korean students who pursue a career animation are very talented and the education they receive from the universities and other programs is excellent." (3)







Call for Entries for SPP 2012 Project Competition US\$10,000 prize for each winner

Benefits of Finalists

- 1. Pitching in front of global key buyers and investors at SPP 2012
- 2. A round-trip air ticket and accommodations for one person per company
- 3. 1:1 Business meetings with buyers and financial partners
- 4. Promotional project directory and CD
- 5. Free entry pass for the SPP and SICAF Exhibition sites

Prize

Trophy and prize money awarded to five winners (USD 10,000 for each)

Qualification for Entry

Animation projects being planned from all over the world

Entry Dealine

May 18(Fri), 2012 / Via Air-mail or in person only



SPP PROJECT COMPETITION ———

SPP Project Competition offers you an exclusive opportunity to pitch your new animation projects in front of a panel of industry judges.

Five winners will receive a trophies, prize money and tremendous promotional opportunities. Those wishing to participate in project competition should send the required application form and 5 colored copies of bibles along with demo reel to Committee via airmail before deadline. For more information about the conditions of admission,

Please check our Competition section on our website(www.sppseoul.com).



INVESTMENT MART ————

This pitching session is designed to introduce well planned animations and it's related projects to content funds. Producers will have valuable meeting opportunities with interested financial partners in order to attract the necessary financing.



NETWORKING EVENT —

Open to all SPP participants, our networking events "SPP Night", "Awarding Ceremony and Farewell Cocktail Party" will allow you opportunities for close individual networking in a friendly atmosphere.



ONE-ON-ONE BUSINESS MATCHING —

The One-on-One Business Matching session, will offer over 550 meetings in a 3 day period. Programing and Development executives invited from the major kids network and distribution companies will attend private 30 minute business meetings. As we offer prearranged interactive meetings schedules, attendees can make their market more efficient. Get ready for targeted networking that could move your project forward by leaps and bounds.



CONFERENCE ———

There will be a variety of conference sessions with key industry players who will discuss trends, developments, business strategies and key challenges in global content industries.



SPP 2011

Contact

Lee, Jee-Hoon, Animation Team, SBA Seoul Animation Center (82-2-3455-8355, ljh06@sba.seoul.kr)

Seoul Animation Center

8-145 YEJANG-DONG, JUNG-GU, SEOUL 100-250, KOREA TEL: +82-2-3455-8355,8358 FAX:+82-3455-8369

DIRECTOR

Mr. HOWARD LIM, mok@sba.seoul.kr

EXCUTIVE PROGRAMMER CONFERENCE&BUYER Ms. JIN-SOOK PARK, jspark@sba.seoul.kr

EXCUTIVE PROGRAMMER PROMOTION & FINANCE Mr. JEE-HOON LEE, Ijh06@sba.seoul.ki

2011 SPP Project Com

Best Planning Award Winner Playground Robot, BBoing





PRODUCTION HIGHTLIGHTS

A playground is a place where children from all across the globe are most familiar with and commonly have fun at. The playground is an important space where children build their physical strength and learn how to get along with others.

When they play on monkey bars, they imagine that a river is flowing below, with many alligators living in the water. They cross the monkey bars, with sweat in their hands. When children play at the playground, it becomes more exciting to use their imagination.

Through BBoing, they will imagine that the playground equipments are alive.

Viewers of the animation will learn about important values in life, such as imagination, a healthy way of playing, knowledge about safety, the value of friendship, the importance of communication, the ability to make others happy, the strength to overcome and endure difficulties, a sense of responsibility, and resolution of problems without use of violence.

The adventures that the characters get involved with enable them to become sociable. The characters strive to take effective measures needed to address their shortcomings. The animation generally delivers healthy humor that can be enjoyed by children and enable children to learn about relationships with others.

COMPANY INFORMATION

CrazyBird Studio Inc.

Address: Changjun-dong, Mapo-gu, Seoul, KOREA 121-190

Tel: +82-70-4025-1118 Contact: Sun Hur E-mail: Sun@crazybird.co.kr Website: www.crazybird.co.kr

Best Picture Award Winner SPACE JUNGLE





PRODUCTION HIGHTLIGHTS

"Small aliens fight for survival in the countryside"

This is an animation that targets families, offering both entertainment and educational elements. It enables children to learn about the importance of nature and enjoy action and fantasy scenes. It also reminds parents of their hometown and generates a sense of nostalgia.

COMPANY INFORMATION

COAN STUDIO Co., Ltd.

Address: A 303 E-starville. Yangjae-dong 3-14 Seocho-gu Seoul, KOREA

Zip Code: 137-130
Tel: +82-2-521-2227
Fax: +82-2-521-2203
Contact: Ms. Kyoung Moon
E-mail: moon@coanstudio.com
Website: www.coanstudio.com

Best CreativityRainbow Sea



PRODUCTION HIGHTLIGHTS

Story structure is the part we are most most formidable black hole in outer s of death, the other side is leading chaeverything in his life seeking this forb this paradox. The answer has to do M existence of Rainbow Sea as pronoun father. As the story unfolds, M.D. will k who has a reason making he/she must sophisticated and exciting.

Another highlight is our art design. W traditional Chinese feature and globa character design and setting design.

COMPANY INFORMATION

Uyoung Media

Address: 10/F, Silver Tech Tower, No. 3 Tel: +86-10-82603501

Tel: +86-10-82603501 Fax: +86-10-82603786 Website: www.uyoung.com.cn

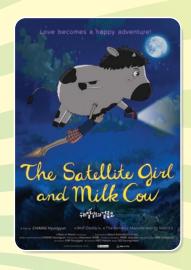
petition Winner!

Special Jury Award Winner The Satellite Girl & Milk Cow









PRODUCTION HIGHTLIGHTS

It is an animation full of unpredictable and delightful imagination. It is a love story between a young man who lost his heart and became a milk cow and a satellite girl. This concept itself arouses a strong sense of curiosity, making it the biggest strength of the project. It is an animation that targets young audiences in their 20s. Most animation films target families, making the project different in that it is designed for people in their 20s. It is an off-the-wall love story on the surface, but it contains experiences and emotions of love, passion, and concerns that youths in this era can easily identify with. It is the first feature-length animation of director CHANG Hyungyun who made 'Wolf Daddy' and 'A Coffee Vending Machine and Its Sword'. His short animations have swept the Audience Award at lots of animation film festivals and made an extensive fan base of him. It is his trademark to describe dreams and love of youths in unexpected and delicate way. The project, which features the director's unique talents, will likely lead to the birth of a promised director.

COMPANY INFORMATION

Now or Never

Address: 2F, 373-15, Yeonnam-dong, Mapo-gu, Seoul 121-867, KOREA Tel: +82-2-3789-7203

Fax: +82-2-3789-7208

Contact: Ms. Hyunwoo SHIM, E-mail: hwooshim@gmail.com
Mr. CHANG Hyungyun, E-mail: dajungstudio@hanmail.net

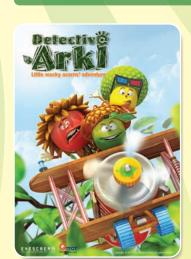
Website: www.nowornever.co.kr

t proud of. One side is Rainbow Sea, the pace which has been perceived as place racter M.D. who is willing to forgo idden myth. The whole story is built on D's mission and ambition: proving the ced by his father and looking for his perfiend to several characters each of it go. The story gets more and more

e are trying to get a balance between I flavor. Our effort can be seen from

8 Haidian St, Beijing, P.R.China, 100080

Best Technology Winner Detective Arki



PRODUCTION HIGHTLIGHTS

This extremely energetic animation called 'Detective Arki' is targeted for viewers aged 5 to 8.

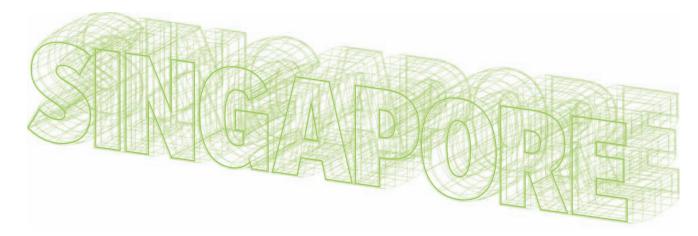
The story takes place on a tiny remote island called 'Tara.' In the midst of much contamination and trash, one tree miraculously survives. This is an animation about our surrounding environment and recycling issues. However, instead of weighing down on such heavy topics, The animation takes viewers to different situations where they witness things for themselves and gain interest in finding out more about environmental issues. The purpose of the show is to increase awareness and understanding of environmental issues for children in a very fun way.

COMPANY INFORMATION GITCT studio

Address: #301, Yangrim-dong 108-2, Namgu, Kwangju, KOREA

Tel: +82-10-9477-7687 / +82-10-6350-5788

E-mail: contact@eyescream.tv Contact: Byungsun Choi, Kim J Website: eyescream.tv



Steady service BY KATE CALDER

It's a going concern when it comes to international co-pros, but performing work for third parties remains an integral part of the Singaporean animation industry's plans for growth

the past several years, Singapore has built a collective portfolio of projects and partnerships that put its capabilities on an international level, and at the same time, has nurtured a stable of studios eager to take on service work.

Singapore first began attracting global attention when Lucasfilm opened a digital animation studio there in 2005, its first outside of California. The Hollywood entertainment giant not only created jobs (the facility currently employs more than 400 people), it also shone a light on Singapore's burgeoning English-speaking CGI animation talent base, service rates comparable to Hong Kong, South Korea and Taiwan, generous government subsidies and strong IP protection policies.

The industry backer—MDA Championing and supporting the industry is the eight-year-old Media Development Authority of Singapore (MDA), which spearheads initiatives to promote animation through development grants and co-investment schemes. To date MDA has co-financed more than 30 animation projects—mostly in the TV realm—and has shelled out more than US\$112 million towards original Singapore-led productions. This past fall, the organization led a delegation of 17 companies (both animation and live action specialists) to MIPCOM, which marked a 40% increase in the participation rate of Singaporean companies over 2010.

In June, MDA partnered with Cartoon Network on the SNAPTOONS (Short New Asia Pacific Cartoons) initiative, which is essentially a call for original series pitches from professionals and budding animators in the region. The goal of the program is to invest and develop fresh ideas, with up to five eventually being produced as broadcast shorts. Last March, the network announced a multi-year agreement with nine-year-old animation house Scrawl Studios to develop, produce and distribute content on the channel across the Asia Pacific region.

Complementing the original productions in its pipeline, Scrawl CEO Seng Choon Meng says about 50% of the studio's revenue comes from CGI service work performed for US and European producers.

"Service allows us to continue to hone our skills, engage our talent and also generate income—though being project-based, service work revenue is short-term and non-recurring, whereas original production will create IPs for the company, which as a long-term licensing model is key to our sustainability," says Meng.

Building on that original portfolio, this past spring MDA partnered again with Scrawl Studios to co-produce five animated projects over the next five years with prodcos in Canada, France and Taiwan, with a total production value of US\$13.5 million. The first two projects underway include *Almost Extinct*, an original 3D CGI-animated TV series, created at Scrawl and co-produced with Toronto, Canada's CCI Entertainment in association with Coolframes Digiworks in Taiwan, and *Hunter the Wereboy*, another original 2D-animated TV series between Scrawl and France's Planet Nemo Animation. Scrawl's other series work includes *Nanoboy*, *Clang Invasion*, *Milly*, *Molly* and *Silly Bitty Bunny*.

Service counts At this past MIPCOM, the studio announced that it had signed on as the exclusive service provider for Singapore-based media company August Media Holdings, which recently inked a deal with Classic Media to produce three series from the Classic catalogue worth US\$18 million. The projects will be led by Edinburgh, Scotland-based studio Red Kite, which August acquired last spring.

These partnerships are a testament to the high-value production capabilities that MDA aims to foster with Scrawl and other Singaporean studios. However, the government agency also sees client work as vital to the region's animation development.

"There is a trap in [the studios] working too much on their own IPs," says MDA CIO Chun Cheng Yeo. He explains that large projects, especially animated feature films, create expense and delay the influx of revenue, which can create cash-crunch situations. "Service animation is necessary for new companies. It provides significant cash flow in a company's





Tiny Island Productions'
Dream Defenders (right),
is Singapore's first
stereoscopic 3D series. So
impressed was Cartoon
Network that it hired
the studio to animate TV
movie Ben 10: Destroy
All Aliens.

growth phase that's needed to balance with creating original IP." He also stresses that service work helps to sharpen the animation skills of the talent base, as well as keep a studio's engine running.

In September, Singapore's Tiny Island Productions announced it had scored the produc-

tion work om both the regular and 3D versions of Cartoon Network movie *Ben 10: Destroy All Aliens*, which will premiere on the channel in 2012.

Tiny Island CEO David Kwok credits the studio's original production and Singapore's first stereoscopic 3D series, *Dream Defenders*, for landing the CN deal. A hit at last spring's MIPTV, Kwok says the 26×10^{-5} x half-hour series, for which Tiny Island hired L.A.-based script writers, caught global attention and established the expertise that helped seal the deal with Cartoon. (3net, the joint-venture $24/7 \times 10^{-5}$ Network from Sony, Discovery and IMAX, acquired the series, which went to air in September.) And going forward, the studio sees working on the Ben 10×10^{-5} movie as training ground for its talent base of animators.

And KC Wong, CEO of Sparky Animation, says in the five and a half years since the studio's 2006 launch, the first two and half were spent strictly on service work, but it then took on a number of co-productions with the help of MDA. For example, enticed by the government incentives and financing available in Singapore, The Jim Henson Company contacted MDA to find a potential partner for *Dinosaur Train* in 2008. The org flew Henson's SVP of business affairs Dan Scharf to Singapore to meet with several studios. Scharf says Sparky's reel of previous service work helped put it on the short list, with the studio eventually landing



the co-pro deal. Character design and voices were completed stateside by Henson while Sparky carried out the animation work.

Scharf says his team made a few trips to Singapore to get the process running smoothly and Sparky ramped up its in-house pipeline to meet rendering requirements. A smart tip from Scharf that applies to choosing a partner, whether it be for co-production or straight service work, is to make sure that the people who created the animation test will be the same animators working on the actual project.

SINGAPORE

The studio's roster of co-productions is growing. It recently took on 52×11 -minute comedy series *Fleabag Monkeyface*, which will air on CiTV in the UK next November; *One Stormy Night*, a 52×11 -minute CGI series with Japan's Duckbill Entertainment, Baky Enterprise and Bandai Visual to air on Tokyo TV in April 2012; and *Mr. Moon*, a co-pro with the UK's Skaramoosh and Canada's Title Entertainment.

Wong says, however, that the development of original IP and coproductions currently occupy about 30% of his production slate. The rest is fueled by service work, which has included work-for-hire animation for US-based Big Idea Entertainment on its series *Veggie Tales* and 321 *Penguins*.

Wong says that of his 165 full-time animators, between 10% and 20% are recent graduates who hone their skills in-house through mentoring and hands-on learning. Scrawl's Meng adds that practically every polytechnic school in the territory offers some kind of animation or multimedia program, and there are two schools that currently offer advanced courses in animation and media production at a university level. Schools in Singapore borrow heavily from courses offered at top-notch facilities like Canada's Sheridan College and Bournemouth University's National Centre for Computer Animation in the UK.

"There is a growing pool of talent due to the continued project flow into Singapore, as well as improvements in the diploma and graduate programs," says Meng.

Over the last several years many students took advantage of study grants provided by MDA to earn their degrees overseas, and increasingly more are returning home to meet the growing need for top-notch talent in Singapore. ③





Sparky Animation's portfolio includes service work on Li'l Larrikins Safety Story from Australia's Ettamogah Entertainment (top) and Dinosaur Train, co-produced with The Iim Henson Company





Huminah Huminah Animation

We are a Canadian work-for-hire full production animation studio.

- Working with **2D** (Flash / Toonboom), and **3D** (Maya / 3D Max)
- With locations in Halifax Nova Scotia and Hamilton Ontario been in business for 8 years
- character design, storyboarding -- through to animation and post
- Either preschool series, 6-11 series, web shorts or promo's we are your # 1 source for production services.
- working with a 40% 50% tax credit for serivce work, co-ventures, or co -productions.

Call us today for your next project!

902-482-0752 Halifax, Nova Scotia Canada 905-818-1581 Hamilton, Ontario Canada www.hhanimation.com



Huminah Huminah Interactive

Bring your IP to us for interactive development!

Let us show you how to play...

Creating interactive entertainment

for all platforms

Facebook iOS (iPhone / iPad / iTouch)

Android **Flash** Xbox360 PS₃

PC / Mac Nintendo Wii & DS



Rising talent

BY KATE CALDER

As prices and co-pro activity continue to rise in animation service mainstays like Korea, there are several newcomers aiming to take their place—witness the rise of Argentina, Brazil, Malaysia and South Africa



The going rate

2D

U\$\$1,100 to

U\$\$2,000

per minute

Over the past four years, more South African prodcos have been turning up at major markets like MIPCOM to grow an animation industry that gained momentum during the 2000s through commercials and visual FX work on feature films such as *Blood Diamond* and *Lord of War*. In 2008, the Cape Town Film Commission (CTFC), a lobby group from the burgeoning coastal animation locale, successfully campaigned for the art form's inclusion in The Location Film and Television Production Act, which doles out a rebate of 15% on service work productions. The CTFC also pushed to get animation projects in on the action of the South African Film and Television Production and Co-Production Scheme. Since then, several South African animation companies have taken advantage of the incentives to build a stable of work on global animated series and feature films in both 2D and CGI. And slowly but surely, amid a recession and some subsequent growing pains, the territory's animation

sector is developing an international cachet and gaining credibility, thanks in part to service work.

Cape Town's Triggerfish Animation Studios is one shop that established itself by juggling a steady service business alongside original IP development. The company made a name in the kids industry by creating stop-motion characters for Takalani Sesame, the localized version of Sesame Street that airs on national public broadcaster SABC. Triggerfish has since developed a technology for lifting stop-motion images and placing them into CGI settings, giving its designs a unique aesthetic. This expertise helped attract US service work, including a pilot for Alabama-based Studio 125 called Me + Jesse D and half-hour direct-to-DVD series Life on the Pond from Isaac Entertainment, also in Alabama.

Last year, Triggerfish ramped up its staff numbers to take on production of 3D feature film Zambezia, created by South African writers, who also collaborated with UK scribes and the US team behind the Hoodwinked! script. Its next feature Khumba is now also in production.

Learning curves "Given that service projects can move quickly and can often overlap, we are keen to sink our teeth into them," says Glenn Gillis, MD of Cape Town-based start-up Sea Monster. "This momentum will let us continue to invest in skills development in South Africa," he adds. Less than a year old, Sea Monster emerged after the closure of Gillis's former company, Clockwork Zoo, which successfully made inroads into the industry, working on season five of Cookie Jar's Caillou and co-pro Florrie's Dragons from Wish Films, Studio 100 and Disney UK. However, Gillis explains that Clockwork's parentco, post-production company Waterfront Studios, suffered financially



due to the changing nature of the post-production landscape and shut down as a result.

The closure, however, seeded several freelancers, as well as a handful of new smaller animation companies, the biggest among them being Sea Monster, the 2D animation and gaming studio, set up by Clockwork's key creative and production team.

"I don't think it's a prominent set-back,"

says Joan Vogelesang, CEO of animation software provider ToonBoom, which works with several South African animation studios in managing their operating systems. Part of ToonBoom's strategy is to forge animation infrastructure in emerging territories, so she's seen several nascent animation markets, including India and Latin America, find their feet. Sustaining financing during the recession and finding the right price competitiveness between labor

includes service work for

Issac Entertainment's Life

on the Pond and the local

version of Sesame Street

(opposite left and right).

The studio is currently creating original

animated features.

including Zambezia

(above).

and rates have all contributed to a challenging landscape for companies in South Africa. "It's more of a learning curve situation," says Vogelesang. "You get the initial out-of-the-gate work and then it's, 'How do we really make this work as an industry and employ the right people in the right jobs?"

With a new shingle and creative outlook, Gillis is looking to bring value to the region as an outsource destination. At press time, Sea Monster was finalizing a service contract on a 52 x five-minute series for another South African company on the verge of inking a co-pro deal with Australia. The studio has also been testing other series and was full steam ahead at MIP-COM, getting feedback and drumming up business. In the meantime, Gillis says the new company has a clear strategy for complementing its core longform 2D services with content for digital platforms. Already his team has developed two Facebook games for a large South African media company, a sequence of animations featured above bowling lanes for a US outfit, and is developing staff-training games, such as one that teaches revenue management to hotel employees.

"We joke that our pay-off line at Sea Monster is 'Nothing is beneath us," says Gillis. "What we really mean is that no one knows where things will go and in the short term, as long as it's a strategic fit, we are happy to discuss opportunities," he adds.

Training and funding in South Africa

With an unemployment rate hovering around 25%, South Africa has been setting up animation training facilities in low-income areas that were previously disadvantaged during the Apartheid years. In 2009, the national public broadcaster SABC funded a program that put young adults under the age of 25 through an intensive 10-month 2D pilot learning course and aired the five x four-minute original series on which the students worked.

More recently, AnimationSA, a trade org that lobbies the government on behalf of the industry, has been instrumental in setting up The Animation Academy at False Bay College in the township of Khayalitsha. Funded by the government's National Skills Fund (NSF), the Academy took on its second crop of students on a year-long traditional and digital-2D training program where unemployed youth and promising artistic talent receive free training.

On the funding front, the Department of Trade & Industry (DTI) has two incentives available. One provides 25% in tax breaks for co-productions or locally owned projects and another which allows 15% of qualifying spend to service international projects, including animation among films, documentaries and TV series. This fall the region lifted the cap on this rebate scheme, which had been limited to US\$2.5 million. Under the new program there is no ceiling on the rebate productions can claim, meaning any qualifying international production can claim the 15% rebate on the entire local spend.

"This means much bigger films will come to South Africa and the visual FX industry will be stimulated, since we are currently losing jobs to territories such as Canada, Malaysia and Australia," says Animation SA board member Liezel Vermeulen.

Glenn Gillis, MD of Cape Town-based start-up studio Sea Monster, says the challenge in taking advantage of the co-production rebate is that it can only be collected after the production has been completed. "Our banking system hasn't yet recognized that these need to be cash-flowed. Given that TV series can take a year or more to deliver, this places guite a burden on the studio."

The DTI has also just submitted a proposal to introduce an additional digital content, visual FX and post-production rebate.





Malaysia

With less than a decade on the international scene, Malaysia is something of an up-and-comer in the animation biz. A skilled and multilingual talent pool, government support, state-of-the-art infrastructure and low production costs are contributing to Malaysia's competitive advantages over other Asian animation hubs like Singapore, Korea and India. The National Film Development Corporation of Malaysia (FINAS) estimates that the value of the domestic animation industry, including TV series as well as advertising, music, film and video games, is worth approximately US\$5.2 billion.

"The last five years have seen a surge of companies focusing on the development of 3D content, but it must be noted that its roots have been grounded in 2D," says Datuk Badlisham Ghazali, CEO of the country's Multimedia Development Corporation (MDeC), a government organization established to facilitate Malaysia's communications technology markets. He lists companies such as Inspidea, Silverant, Les' Copaque and Young Jump as Malaysian trailblazers in the global toon market.

"What we are known for is being fun and outrageous," says CJ See, co-founder and marketing director of Malaysian animation studio Inspidea. Established in 2002, the outfit really started to take off with multiple international 2D projects in 2006, including *Milly, Molly* with Singapore's Scrawl Studios, and more recently *Boo & Me*, a 2009 commission from international kidnet KidsCo. Among the co-productions and in-house content produced at Inspidea (including several 3D tests), See says straight service work contributes in equal measure to the business. Though he wasn't willing to divulge the projects, two of his high-profile clients include Astro Malaysia and Cartoon Network Asia. However, he did reveal, with tongue firmly planted in cheek, that Malaysian studios will often try to get visiting Western clients to eat the über-bitter fruit durian "just for the giggles."

Inspidea's emergence onto the global animation scene coincided with a handful of other studio start-ups in the mid-2000s when the Malaysian government began pouring resources into developing the region's entertainment and media industries.

"Service work is the rite of passage for all animation companies in Malaysia," says Ghazali and lists Disney Asia, Disney Japan and Konami/Nintendo among the client base of some of Malaysia's best animation studios.

A vibrant multicultural society is one factor giving Malaysia an edge when working with foreign companies. See explains that Malaysians are exposed to a cross-section of global culture from Korean soaps and Japanese fashion to American donuts and Latin music, all while being well-educated in English. Besides understanding notes and emails written in English, See says Inspidea also encourages its animators to join its French and Japanese classes to become tri- and even quadri-lingual.



Canada's Cuppa Coffee hired Vision Animation (previously Fat Lizard) to animate its short-form series *Bruno* (top left), while Inspidea's credits include *Milly*, *Molly* (top right) and *Boo & Me* (above)

Malaysia's cash flow

Trade organizations such as MDeC, FINAS and the Malaysia Communications and Multimedia Commission (SKMM) have all been designated to spur the development and promotion of the animation market. For its part, MDeC's initiatives at key content markets, such as MIPCOM, help herald the potential of Malaysian companies. Last month, MDeC led the region's largest-ever delegation to Cannes, including 23 Malaysian companies with more than 100 properties to showcase, 70% of which were kids projects.

"At the same time, the strategic alliances we have with both the government and the private sector of foreign counterparts, further help build awareness that there is a service base in Malaysia," says MDeC's Ghazali. He explains that Malaysian studios have employed a dual-market strategy, where some of the clients have come from a blend of referrals from MDeC and their own sales outreach.

Besides promotional assistance, more than 70 funds and grants are available to the animation industry in terms of creative technology acquisition, financial support, incentives and tax breaks. For example, the eContent fund has financed co-production deals for Malaysian companies including Animasia, Vision Animation, Shock 3D! and Backbone Entertainment.

SEE Inatpe. CONTENT FIRST THE REPORT OF THE PROPERTY OF THE





Adam Shaheen, owner of Toronto, Canada's Cuppa Coffee, hired Malaysian studio Vision Animation (previously known as Fat Lizard) to produce its 15 x one-minute interstitial series *Bruno*. Though Cuppa Coffee has since installed its own 2D animation studio, Shaheen was impressed enough with the service work to say that he'd go back if the need arose. Besides demonstrating an excellent understanding of instruction and notes, Shaheen says the studio was old-school in terms of turning around quality work, rather than focusing on churning out volume. "And they really got it in terms of design," he says. Culturally ingrained preferences for certain design aesthetics can seep into motifs unintentionally, notes Shaheen. "So you often get back slightly weird interpretations of your design model and color palette," he adds. But that wasn't an issue with the Malaysian animators.

For a fledgling industry in a country with just 28 million people, Malaysia's animation talent base is still in growth mode. See says he's always on the lookout for fresh talent from one of a dozen universities and faculties that offer animation, TV and film courses. Malaysia's institutions of higher learning (IHLs) have programs ranging from four-year degrees to certificate-based courses, and annually produce roughly 200 new graduates.

Several Malaysian studios, including Les' Copaque Production, Animasia Studio, Backbone Entertainment and Young Jump Animation, are also developing their own educational schemes, incorporating animation training programs to help improve productivity and the training of more local talent.

Argentina

For the last decade, Argentina has been building a reputation as an affordable animation service hub in Latin America. After undergoing a major economic crisis and currency overhaul in the early 2000s, the country emerged as an inexpensive spot for commercial work. Since then, it's grown to be the fourth-largest commercial producer of animation in the world. It's also developing a foothold in the animation industry with virtually no government support, employing creative business models and diversification, which in many cases involves taking on service work.

"Argentina has a long tradition of great 2D animation, and over the last 10 years the boom in advertising visual FX and post-production has increased the quality of 3D work as well," says Diego Rosner, who runs two Bueno Aires-based production companies, L'Orange Gutan and Catmandu. At L'Orange, Gutan has teamed up with Spain's Elastic Rights on *Gluko & Lennon*, a mixed-media series. He's also beefed up his staff of animators at Catmandu to 120 to produce the biggest film project underway in Latin America at the moment, *Metegol (Foosball 3D)*, a US\$14-million stereoscopic 3D feature film from Oscar-winning Argentinean creator Juan Jose Campanella. Currently occupied with original productions, Rosner isn't taking on service work, but the feature film alone has not only helped shine a light on Argentina's animation industry, but it has also started expanding the level of expertise in the region.

"Over the next few years, and especially after producing *Foosball*, we will have more talent," says Rosner, who imported DreamWorks and Pixar alumni to lead operations, as well as animators from Spain, Italy, Colombia, the US, the UK and a few Argentine ex-pats.

And helping build awareness for the industry is Expotoons, a five-year-old Argentine animation festival run by Buenos Aires-based Encuadre Studios. In 2009, the festival hosted Cartoon Connection, funded by Cartoon Forum parentco MEDIA, which brought together



Catmandu's animated feature film Metegol (Foosball 3D) is the kind of animation work that's currently putting Argentina on the map

Argentinean prodoos and other Latin American studios with producers and buyers from Europe. And this month Expotoons is holding its fifth edition.

With 120 staff members and a roster of animated and live-action TV show, movies and online content, Buenos Aires-based Illusion Studios is another major player in the country that is raising the bar in the talent pool. With cash from a private equity firm, the company beefed up its animation software equipment and started taking on co-productions and features four years ago. But without government incentives, private equity and diversification are key to sustaining the workflow.



Why should you be there?

Launch new properties.

Kidscreen Summit is where the hits of tomorrow are made. Make sure your projects get the high-profile start they deserve and then watch them take off as all the pieces fall into place.

Get deals done.

With every decision-maker in the kids entertainment industry gathered in one place and focused on doing business for four solid days, you couldn't ask for a better deal-making setting.

Identify business opportunities.

Spend four days learning about the latest kid trends and market shifts that are changing the direction of the market. Our unrivalled conference program will keep you inspired, informed and several steps ahead of your competitors.

Make global connections.

Meet with leading executives from more than 42 countries—the US, Canada, Brazil, Australia, Korea, China, Singapore, Malaysia and all of Europe—and set up critical partnerships that will take your business to a whole new level.

We've got it all!

Kidscreen Summit is your best strategy for success in 2012.

Catch the last Early-Bird rate until Dec. 16 at summit.kidscreen.com





Brazil

Over the last six years, Brazil's ambitious entry onto the international scene with several high-profile co-productions has been led by a strong campaign to ramp up its animation industry on an international level. In 2004, the government-supported Brazilian TV Producers Association (BTVP) set up shop with a clear goal of courting international partners and getting up to speed on the business of co-producing. BTVP Lobbying efforts helped launch a tax incentive program that reduces taxes equivalent to invested amounts, from which roughly 90% of independent producers in Brazil now benefit.

With BTVP as an ambassador for the animation industry in the region, Brazil currently has co-production treaties lined up with Canada, Germany, Israel and India, and it is working on inking similar agreements with the UK, Korea, France and Italy.

Besides strong government incentives to grow the country's animation industry, the practical factors that make Brazilian studios attractive for international co-productions also make it great for service work. However, only a handful of studios in Brazil focus primarily on service work. These include Sao Paulo-based HGN Productions, which helped produce Disney's *The Princess and the Frog*, and Lightstar Studios, which animated several episodes of the second season of *The Wonder Pets!* for Little Airplane Productions.

Jean De Moura, partner and producer at Lightstar says the talent pool in Brazil is bigger than most outsiders realize. De Moura, who cut her teeth in animation working for Disney, Warner Bros. and Bluesky Studios in the US, opened Lightstar in 2004 with a contract to produce the animation for feature film *Astérix and the Vikings*. Since then, the studio has worked diligently at churning out animation for notable projects including 40 minutes of the Oscar-nominated *The Secret of Kells* from Ireland's Cartoon Saloon.

Lightstar uses an online asset management program that tracks and monitors work, compresses files and allows all studios to see completed footage almost instantaneously. "Our pipeline is very professional, which is very important because the budgets are low and you have to be able to turn scenes around very quickly and know where everything is," says De Moura.

Though the company is slowly moving into producing its own IP, De Moura says there is a market for service and she intends to keep taking it on as the backbone of the business. "It's not something that many companies here are interested in doing, but we look at it a different way—it has to be done and not everybody has the expertise that we have," she says.

One of the biggest challenges for studios like Lightstar, however, is the complete lack of tax incentives for service work. As well, De Moura says



HGN worked on Disney's *The Princess and the Frog* (top left), while Lightstar Studios pitched in on Cartoon Saloon's *The Secret of Kells* and *Mullewapp* from MotionWorks in Germany

the drop in value of the country's currency has doubled the prices of the hardware and software needed to run a studio, leaving operations a bit strapped for cash.

Moreover, De Moura sees service work as a means of keeping the animation market healthy. "If Brazil gets an image of being expensive to produce, it would mean the only route would be through co-production," she says. And the amount of time that co-productions take to finance can create revenue gaps for nascent studios. ③

Brazil's got talent

The territory's location and time zone mean that it's compatible with North American office hours and much of the Brazilian population speaks English and has a keen sensibility for North American and European culture. Plus, the growing market is sparking an increase in the availability of qualified animators among an audiovisual community that already had a strong creative backbone, owing to a mature, if insular, Brazilian entertainment industry.

"People come to Brazil very specifically because the studios have highly trained professionals," says a spokesperson for the BTVP. "Most of the studios in Brazil have already worked or currently work with the ad market, so people are used to high demands and know how to show solid results and impeccable work under a lot of pressure."

Superb quality and efficiently run studios are two main attractions to Brazil, says Joan Vogelesang, CEO of animation software company Toon Boom, which deals first-hand in supplying and consulting with Brazilian studios. "They aren't going to be the lowest price, but they go in with a real quality performance," she adds.

We're fluent in Children's Entertainment



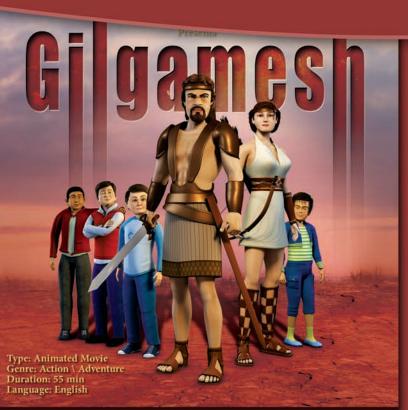
Dubbing in over 50 languages

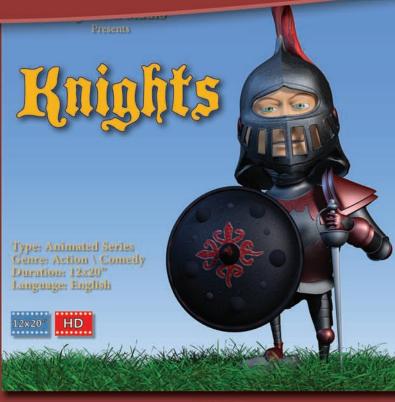
Owned & Operated dubbing studios in 18 countries

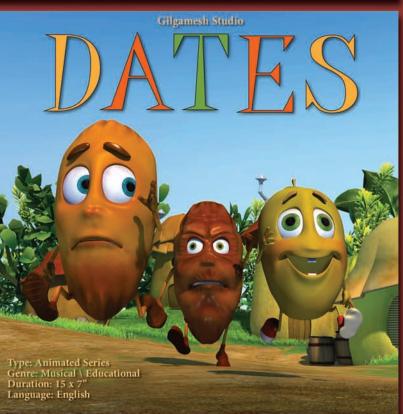
Please contact: sales@sdimedia.com

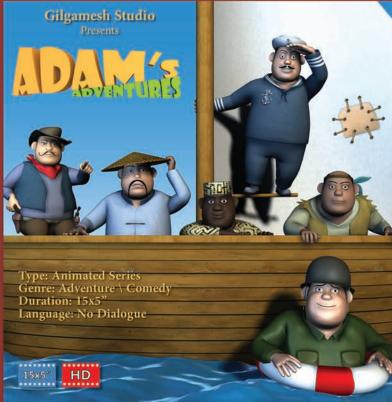
US: +1 310-388-8806 UK: +44 (0) 208 237 7900

GILGAMESH STUDIO











Gilgamesh Studios www.gilgameshstudio.com

E-mail: info@gilgameshstudio.com

Contact us

+962 6 5651 157

Fax: +962 6 5651 158